

MSEZ

Preliminary Observations on APR for FY20 and ARR and Revision of Tariff for FY22

1. APR FY20 Sales

The Commission in its Tariff Order dated 30.05.2019, had approved sales of 50.54 MU for FY20. The actual sales as per current filing [D-2 Format] is 56.52 MU, indicating increase in sales to an extent of 5.98 MU.

The category-wise actual sales compared to the estimates is as follows:

Category	Estimated Sales-MU	Actual Sales-MU	Increase (+)/Decrease (-) MU
HT -Industrial-33kV	45.92	50.76	4.84
HT- Industrial-11kV	3.67	5.10	1.43
HT-Temporary	0.55	0.20	-0.35
LT-Industrial	0.40	0.42	0.02
LT-Temporary	0.00	0.04	0.04
Total	50.54	56.52	5.98

The Commission notes that the increase in sales is attributable to HT-industries.

2. FY21 & FY22 Sales

1. MSEZ has retained the sales for FY21 at 57.22 MU, as approved in the tariff Order dated 04.11.2020.
2. MSEZ has stated that, sales for the FY22 is re-estimated at 57.57 MU, after evaluating the energy consumption of consumers who have already commenced operations and new consumers who have commenced operations in FY20-FY21.

In this regard the Commission directs MSEZ to furnish the details of sales projections including the following:

- a. For existing consumers, consumer-wise details of the actual energy sales made in FY20 and the energy estimation for FY21 & FY22, along with the details of connected load;
- b. For consumers coming up in FY21, consumer-wise details of energy estimation for FY21 and FY22, along with the details of connected load;
- c. For new consumers coming up in FY22, consumer-wise details of energy estimation for FY22, along with the details of connected load; and
- d. Actual consumer-wise sales for FY21 upto November-2020 end.

MSEZ shall also furnish the working details of sales estimates for each of the consumers for FY22 along with supporting documents of power requirement requests made by such consumers.

3. Wheeling Charges and Cross Subsidy Surcharge:

MSEZL has requested to continue the adoption of wheeling charges and CSS as determined in respect of MESCOM.

Since, the MSEZ is having its own network, MSEZL shall work out the wheeling charges, CSS and additional surcharge for FY22 independently, which shall be made applicable to consumers of MSEZL seeking open access.

4. RPO Compliance:

MSEZ shall furnish the **status of solar and non-solar RPO compliance for FY20 and also the estimates of RPO to be met in FY21 and FY22** and the plan of action to meet the same, as MSEZL is contemplating power purchase under short-term open access during FY22.

5. Number of installations:

The Number of installations is retained at 29 for all the three years i.e. FY20 to FY22 at page [pg-39 of filing], whereas at page 34, para-1, it is stated that the sales is estimated

considering consumers who have commenced operations in FY20 – FY2, in indicating that there is addition of installations in FY21.

MSEZL shall clarify as whether there are new additions of installations in FY21 and FY22. Further, in D-2 Format the number of installations for FY-21 & FY22 is indicated as 25, whereas at page 39 it is indicated as 29. The figures shall be reconciled.

6. Contribution / Grant and Subsidy toward cost of Capital Assets:

As per the combined Balance Sheet of MSEL, an amount of Rs 18.73 Crores has been indicated as Contribution / Grant and Subsidy toward cost of Capital Assets for FY20. This entire amount has been charged toward non-licensed activity. As the Capital expenditure incurred by the MSEZ is for the benefit of all the Consumers within the SEZ area, the entire amount allocated to non-licensee activity without considering the license activity shall be explained.

7. Carried Forward Power Purchase Cost of FY18:

MSEZ, in its application for APR for FY 20 in page 24, has deducted an amount of Rs 2.42 Crores being the amount carried forward towards power purchase cost, as per APR for FY 18 and allowed to be recovered from the consumers during FY20. As against this amount, MSEZ has recovered Rs. 2.71 Crores as indicated in page 24 of the filing. Thus, there is an excess recovery of Rs. 0.29 Crore. This amount has to be considered as revenue for FY 20. Thus, instead of deducting Rs. 2.41 Crores from the total revenue of Rs. 48.57 Crores, MSEZ has considered the entire amount of Rs. 2.71 Crores. The reason for considering the deduction of entire amount of Rs. 2.71 Crores shall be explained.